

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Beverly Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: October 9, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.35% to 7.15% and an adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Beverly Retirement System
January 1, 2020 Actuarial Valuation

Total Cost 4.5% increasing until FY32 with a final amortization payment in FY33

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Total Cost</u> <u>Increase</u>
2021	3,300,462	150,000	8,514,613	11,965,075	92,783,829	
2022	3,448,983	150,000	8,904,520	12,503,503	90,598,863	4.50%
2023	3,604,187	150,000	9,311,974	13,066,161	87,853,825	4.50%
2024	3,766,376	150,000	9,737,763	13,654,138	84,490,496	4.50%
2025	3,935,863	150,000	10,182,712	14,268,574	80,445,679	4.50%
2026	4,112,976	150,000	10,647,684	14,910,660	75,650,801	4.50%
2027	4,298,060	150,000	11,133,580	15,581,640	70,031,495	4.50%
2028	4,491,473	150,000	11,641,341	16,282,814	63,507,141	4.50%
2029	4,693,589	150,000	12,171,951	17,015,540	55,990,383	4.50%
2030	4,904,801	150,000	12,726,439	17,781,240	47,386,597	4.50%
2031	5,125,517	150,000	13,305,879	18,581,396	37,593,329	4.50%
2032	5,356,165	150,000	13,911,393	19,417,558	26,499,688	4.50%
2033	5,597,192	150,000	14,468,421	20,215,614	13,985,691	4.11%
2034	5,849,066	150,000		5,999,066	0	-70.32%

Appropriation payments assumed to be made December 31 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$525,000.

FY21 amount maintained at level of current schedule.